

# Wealth Markets and Commerce

Specialists in

## LIBERTY BONDS

We will buy or sell bonds  
of the above denominations  
at the prevailing price on the New York Stock Exchange for  
order is given, plus or minus 15c—30c—50c,  
for respective denominations.

## Finance - Economics

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The last hours of trading showed prevent rates from going above the new low record in the price of Fourth Liberty Loan 1-1s. This also established a relative new low for all Liberty bonds.

Some solid brokerage houses have been recommending the purchase of Liberty bonds at the present levels simply as a speculation. The evil of this, if evil there be lies simply in the indissoluble belief of every security holder, and many others, that a fall in prices is the result of some kind of Wall Street machinations. Yet nothing would go further to give a healthy stability to Liberty bond operations than the presence of just such a speculative interest.

In the days of the day of the Liberty bonds were sold to a British. For investment purposes there is, and probably for some time will be, relatively little demand. On the other hand, there may be considerable selling by various parties, by speculators which subscribed very heavily and wish now to liquefy their funds, or even holders and others. Most of the successive issues has undergone some damp in the quotations, but each time there has been a substantial recovery. In the case of the second loan, for example, the recovery from the extreme low amounted to nearly five points.

The sharpest recoveries in Liberty Loan quotations have come just preceding a new loan campaign. The next and probably last campaign will three months or more away. What has chiefly puzzled prospective purchasers is the extent to which the present selling has been due to tax dodging needs. The idea is that many individuals and some corporations reduce their income taxes by the considerable loss on their subscriptions if the bonds were sold at present prices. It is not a very creditable theory, and it is evident that if it were indulged in to any considerable extent, it would tend to defeat itself. That is to say, the price would tend to fall to such a point that the net loss incurred by the sellers, over the reduction gained in the income tax, would be larger than was comfortable.

The friends and students of government operation of the railways have much to ponder over in the October returns. They do not differ substantially from the results in September or in August. There was apparently a small gain in traffic, as in September, and this with the blanket increase in rates lifted the revenues some \$107,000,000, or a little under 30 per cent. But expenses increased by \$123,000,000, so that in spite of the heavy increase in rates, the net income showed an appreciable decline. This was not due alone to the very heavy increase in maintenance. The cost of transportation also rose nearly 33 per cent.

The October results, coming on top of the disappointing returns from the two preceding months, pretty effectively dispose of the hope that the increase of rates would make up the deficit, under the government's guarantee, which piled up in the earlier part of the year. For the ten months of government operations, the net railway operating income declined \$234,000,000, on an increase in revenues of nearly \$700,000,000. The larger part of this decrease was caused by the enormous increase in wages, which, it is now predicted, will run almost twice as much as was originally estimated.

The Railway Administration's new system of traffic reports show a decline in tonnage in the last two weeks of November of about 10 per cent.

The January corn option in Chicago sold yesterday at \$145 a bushel. That is something like average parity with the government's fixed price of \$126 for wheat. There is no guarantee of the corn price. There is likewise no guarantee on cotton, and cotton is now selling at nearly 50 per cent above what may be called the normal parity with corn and wheat. And this latter is with the second largest foreign consumer of cotton out of the market.

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling, say, at \$47.575. The intrinsic parity is 48.67 per pound. Thus you either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that England and the dominions of India with which it has accounts in this country, import and export demand in this country, or imports with which to settle accounts in England.

## Record Bond Sale in Million Share Market

### Selling to Register Losses for Tax Statements Makes Prices Sag

### Limit on Loans to Stay

### Treasury Asks Bankers to Continue to Hold Down the Call Money Rates

Record trading in bonds and a turnover in stocks in excess of a million shares combined to make yesterday's session at the New York Stock Exchange the most active since early November when the market boiled over on the news of the signing of the armistice. Dealings in rated bonds aggregated a par value of \$44,420,000, the greatest total ever traded in on the exchange in a single day, of which \$31,670,000 represented transactions in Liberty Loan bonds. Stock transactions amounted to 1,183,700 shares.

After the close of the market the bankers' money committee issued a statement announcing that as a result of a request from the Treasury at Washington it had been decided to continue the present system of money market control in order to keep money rates stable and to prevent undue speculation in securities.

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With the exception of the oil shares, the market for stocks and bonds was a quiet one. In the over-the-counter market transactions in Texas and Pacific Coal and Oil stock were reported at 1620, an advance of 125 points. At the Stock Exchange Texas Company, selling dividend, moved from 1755 to 1784 and closed 134 points up. The strength of the oil group was reflected in the record for the International Petroleum Company, an subsidiary of the Carter Oil Company, the operating end of the Standard of New Jersey in Mexico, had brought in a 50,000-barrel well.

**Not Decline Frequent**

The decline of prices in the stock market was highly confusing, some issues advancing and others declining. The majority of stocks, however, ended the day with substantial increases, ranging in amount from 10 to 100 points or more. Certain of the representative railroad shares declined sharply on heavy offerings, while in the industrial group steel and metal stocks were up.

As a result of the extraordinary outpouring of Liberty Loan bonds during the month of November, the last issue date, declined to a new low record, selling at a time of 94, this price representing a decline of a half point from the opening price. Subsequently the bonds rallied partially, closing at 94.20. The following day held fairly steady through 95.20. The second 94s opened at 94 and held strong closing at 94.20. The 93s, while not so active as the other issues, displayed strength and closed at 99.50.

**Bank Clearings**—Bank clearings yesterday were:

Exchanges, Balance, New York.....\$485,466,717 \$86,608,753 Baltimore.....12,288,260 533,718 Boston.....256,613,458 12,071,571 Chicago.....91,972,400 9,448,140 Philadelphia.....65,737,137 16,44,820

**Sub-Treasury**.—The Sub-Treasury gained \$121,000 from the banks on Saturday.

**Silver**, London, 48½d, unchanged; Mexican dollars, 77½c, unchanged.

**Bank Acceptances**.—Higher rates for call money has resulted in a less active demand for bank acceptances. Rates yesterday were unchanged, as follows:

Thirty Sixty Ninety  
days, days, days,  
lively, percent, percent, percent.

Eligible member banks.....4½ 4½ 4½ 4½ 4½ 4½

Eligible non-member banks.....4½ 4½ 4½ 4½ 4½ 4½

Ineligible banks.....5½ 5½ 5½ 5½ 5½ 5½

**Bank Bills**.....5½ 5½ 5½ 5½ 5½ 5½

For delivery within 30 days:

Percent, Eligible member banks.....4½  
Eligible non-member banks.....4½  
Ineligible banks.....6

**London Money Market**, LONDON, Dec. 30.—Interest rates on six-months' discount rates were 5 per cent. Short and three-months' bills, 3½-3¾ per cent. Gold premiums at London were 7½c.

**The Dollar in Foreign Exchange**

Dealers in the legal foreign exchange market yesterday saw a comparatively small volume and changes in rates were narrow. Offerings of Swiss francs were somewhat larger, resulting in a slight decline in the rate. Rates on Paris and London were steady.

Closing rates yesterday, compared with a week ago, follow:

Quoted dollars to the pound:

Wednesday, Nov. 28, 1918.

Sterling, demand.....\$4,750 34,750

Sterling, sixty days.....470 475

Sterling, cables.....470 475

Sterling, ninety days.....470 475

Quoted units to the dollar:

Francs, checks.....24½ 24½

Francs, cables.....52½ 52½

Lire, checks.....6,268 6,268

Lire, cables.....6,35 6,35

Swiss, checks.....461 483

Swiss, cables.....478 478

Quoted cents to the unit:

Guilder, checks.....42½ 42½

Guilder, cables.....42½ 42½

Billets, checks.....13.00 13.00

Spain, checks.....20.05 20.05

Sweden, checks.....20.15 20.15

Denmark, checks.....29.15 29.40

Denmark, cables.....29.30 29.55

Norway, checks.....26.95 26.95

Norway, cables.....27.10 27.10

Italy, checks.....28.05 28.10

Italy, cables.....28.20 28.25

Argentina, checks.....45½ 45½

Argentina, cables.....45½ 45½

India, rupees, checks.....35.3-5 38.3-5

India, rupees, cables.....35.3-5 38.3-5

China, cables.....35.72 35.73

**Significant Relations**

### Money and Prices:

Stock of money gold in the country...

Loans of all national banks.....\$10,697,000,000

Bills discounted and bought by Federal Reserve Banks.....\$2,006,811,600

Federal Reserve notes in circulation.....\$485,244,000

Total gold reserve.....\$10,090,271,000

Average price of fifty stocks.....77.52

Average price of twenty-five bonds.....78.25

Food cost of living (Annalist index number).....289,844

General commodity price level (Dow's index number).....291,220

November 30, 1918.

Current exchange intrinsic value, Pounds, sterling.....\$4,755.4 4,865.8

Pounds, sterling.....C.18.4 19.3

Gulders.....0.423 0.402

Lire, checks.....0.156 0.193

Crown (Denmark).....0.2675 0.268

Crown (Sweden).....0.2845 0.268

**Production:**

Unfilled U. S. Steel orders, tons.....3,124,663

Pig iron (daily average), tons.....111,802

Coal, tons (1917).....1,917,49,000

Oil, barrels (1917).....1,582,359,000

Gasoline, barrels (1917).....1,582,814,000

Gasoline, barrels (1917).....11,700,000

Steel, tons (1917).....1,324,293

Iron, tons (1917).....1,087,100

Barrels of oil (1917).....1,086,859

Barrels of oil